



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Adopt Resolution Ratifying the San Joaquin Council of Governments' Annual Financial Plan for Fiscal Year 2004/05

MEETING DATE: June 2, 2004

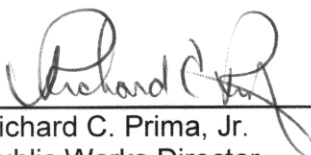
PREPARED BY: Public Works Director

RECOMMENDED ACTION: That the City Council adopt a resolution ratifying the 2004/05 Annual Financial Plan (AFP) for the San Joaquin Council of Governments (COG).

BACKGROUND INFORMATION: Attached is a summary of COG's AFP for fiscal year 2004/05. The COG Board adopted the AFP on April 22, 2004. Pursuant to COG's Joint Powers Agreement, the budget is to be ratified by the City of Lodi following adoption by the COG Board.

Staff would like to acknowledge both the importance of the work COG performs and the significant and excellent assistance their staff provides in delivering transportation projects in the City and the entire County.

FUNDING: Not applicable.


Richard C. Prima, Jr.
Public Works Director

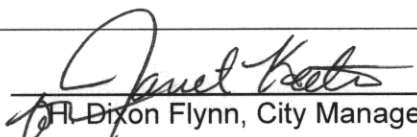
Prepared by Tiffani M. Fink, Transportation Manager

RCP/TF/pmf

Attachment

cc: D. Stephen Schwabauer, Interim City Attorney
Steve Dial, Director of Administration/Chief Financial Officer, COG

APPROVED:


Phil Dixon Flynn, City Manager



SAN JOAQUIN COUNCIL OF GOVERNMENTS

555 E. Weber Avenue • Stockton, California 95202

209.468.3913 • 209.468.1084 (fax)

www.sjco.org

RECEIVED

MAY 13 2004



CITY OF LODI

April 29, 2004 PUBLIC WORKS DEPARTMENT

MAY 0 2004
CITY MANAGER'S OFFICE

Gloriantha Rhodes
CHAIR

Gary Giacometti
VICE CHAIR

Julia E. Greene
EXECUTIVE DIRECTOR

Member Agencies

CITIES OF
ESCALON,
FAHRENHEIT,
LODI,
MANTENO,
RIPON,
STOCKTON,
TRACY,
AND
THE COUNTY OF
SAN JOAQUIN

Mr. Dixon Flynn
City of Lodi
P. O. Box 3006
Lodi, CA 95241-1910

Dear Mr. Flynn:

Enclosed is a summary of the San Joaquin Council of Governments' Annual Financial Plan (AFP) for Fiscal Year 2004-2005. The Board unanimously adopted the Plan on April 22, 2004. A copy of the adopting resolution is enclosed. Pursuant to SJCOG's Joint Powers Agreement, following adoption of the budget by the SJCOG Board, it is to be delivered to member agencies for ratification by each governing body. Therefore, I request that you place SJCOG's Annual Financial Plan for Fiscal Year 2004-2005 on a forthcoming agenda prior to June 30, 2004 for your Council's approval.

The Annual Financial Plan implements the FY 2004-2005 Overall Work Program (OWP) which was also adopted in its final form by the SJCOG Board on April 22, 2004.

The enclosed summary identifies revenues and expenditures anticipated for the year including both operating and pass-through revenues and expenditures. Pass-through are funds over which SJCOG has fiduciary responsibility such as Transportation Development Act, TEA-21 and the majority of Measure K funds. The summary compares the FY 2004-2005 budget with the FY 2003-2004 amended budget and actual expenditures for FY 2002-2003.

The attached Annual Financial Plan provides a detail of expenditures by cost category and line item comparing the proposed budgets with the current year (FY 2003/04) amended budget and the actual expenditures for FY 2002/03. The following assumptions are incorporated in the budget:

1. Work will not begin and expenses will not be incurred unless anticipated revenues sources are secured.
2. We anticipate being fully staffed for the entire fiscal year, therefore the Salaries and Benefits cost category is fully funded. No additional staff is being requested.
3. Duplicating the process from previous years, \$102,500 is included in Salaries and Benefits for the pay for performance pool.

SJCOG operating revenues are down 9.8% or approximately \$460,000. The state's budget crisis is responsible for a good deal of the reduction. SJCOG should have received \$220,000 for planning and program management and \$167,000 for Commute Connection from the STIP. Freeway Service Patrol funding has been decreased by \$170,000.

In addition, funding for specific projects has run out with the completion of those projects. Specifically, the Department of Education funding for San Joaquin READS has been drawn down, the Sustainable Living PLACES grant has been partially expended, the State Highway Account, Welfare to Work grant has been expended and the Manteca-Lathrop Interchange Feasibility Study has been completed.

REVENUES

In order to mitigate the impact, staff is proposing to draw down \$250,000 in carry-over Federal Highways planning funds. SJCOG will still have \$600,000 in unobligated reserve.

Transportation Development Act funding increases \$38,200 due to the increase in Local Transportation Fund and State Transit Assistance fund estimates. Measure K project management funding is held at the same level as the previous three years. The 1% Measure K administration funding increases \$33,000 based upon the increase in the annual revenue estimate.

EXPENDITURES

Salaries and benefits are proposed to increase 8.6%. The primary increase come in the health care premium costs of 11%. A pay for performance pool is proposed at the same dollar amount as the last two years.

Services and supplies is proposed to be 16.1% less than the current year. Staff is taking a constrained look at all expenses in order to achieve enhanced cost effectiveness under the reduced revenue scenario.

- Office expenses is reduced 29%. Current year expenditures were elevated due to the move.
- Memberships is reduced 16.7%. Certain memberships will have to be forgone to achieve this budget constraint.
- Maintenance - Equipment is reduced 61.5%. Most equipment (computers, printers, etc.) is new either under warranty or requiring less maintenance.
- Rents and leases - Equipment - Increased 10.3% reflecting a full year of expenses of additional printer and copier leases entered into midway during current year.
- Transportation and Travel is maintained at the current level.
- Allocated service cost (the cost of certain services provided by the County of San Joaquin) is

Mr. Dixon Flynn
April 29, 2004
Page 3

- reduced 80% reflecting actual budget amounts from the County.
- Publications and legal notices reduced by 50% through more efficient structuring of legal notices and publications.
- Insurance is increased by 17.5% reflecting a full year of the additional premium expense related to the new building.
- Building and maintenance is reduced 10.9% based upon actual experience.
- Rent - structures and grounds is reduced 25.8% due to low interest rates keeping debt service low on the new building financing.

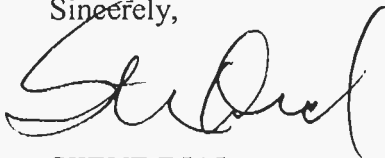
Professional services is reduced 30.8% reflecting the completion of various contracts.

Fixed assets is reduced by 49.8% reflecting lower capital expenditures.

SJCOG staff would be pleased to appear before your policymakers to answer any questions they might have regarding this matter. **We request ratification prior to June 30, 2004.** Please let me know when this will be on your agenda. If you have any questions regarding this matter, don't hesitate to contact me at 468-3913.

Thank you for your assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Dial", with a stylized flourish at the end.

STEVE DIAL

Director of Administration/Chief Financial Officer

San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
Fiscal Year 2004/05
Adopted April 22, 2004

	FY 2002-03	FY 2003-04	FY 2003-04	FY 2004-05	%
REVENUES	Actual	Adopted 4/24/03	Amended 4/22/04	Adopted 4/22/04	Change
Federal Grants	\$1,696,253	\$1,490,658	\$1,777,426	\$1,713,434	-3.6%
State Grants	\$721,942	\$1,154,745	\$1,052,502	\$574,369	-45.4%
Local	\$2,147,859	\$2,132,400	\$1,956,339	\$2,023,210	3.4%
Interest	\$48,242	\$40,000	\$40,000	\$40,000	0.0%
Other	\$0	\$0	\$0	\$0	0.0%
SJCOG OPERATING REVENUES	\$4,614,296	\$4,817,803	\$4,826,267	\$4,351,013	-9.8%
Federal Pass-Through	\$30,500,000	\$30,500,000	\$30,500,000	\$30,500,000	0.0%
State Pass-Through	\$1,139,756	\$1,063,642	\$1,157,012	\$1,200,000	3.6%
Local Pass-Through	\$53,003,000	\$57,759,500	\$58,250,000	\$62,546,000	6.9%
Commercial Paper	\$89,000,000	\$89,000,000	\$97,000,000	\$97,000,000	0.0%
TOTAL SJCOG REVENUE	\$178,257,052	\$183,140,945	\$191,733,279	\$195,597,013	2.0%
EXPENDITURES					
Salaries & Benefits	\$1,906,691	\$2,209,000	\$2,209,000	\$2,398,797	8.6%
Services & Supplies	\$662,192	\$1,129,000	\$1,129,000	\$947,000	-16.1%
Office Expense	\$175,027	\$260,000	\$260,000	\$184,500	-29.0%
Communications	\$40,777	\$40,000	\$40,000	\$40,000	0.0%
Memberships	\$27,637	\$30,000	\$30,000	\$25,000	-16.7%
Maintenance - Equipment	\$8,351	\$26,000	\$26,000	\$10,000	-61.5%
Rents & Leases - Equipment	\$114,789	\$145,000	\$145,000	\$160,000	10.3%
Transportation, Travel & Training	\$113,456	\$100,000	\$100,000	\$100,000	0.0%
Allocated Service Cost	\$40	\$10,000	\$10,000	\$2,000	-80.0%
Publications & Legal Notices	\$12,457	\$20,000	\$20,000	\$10,000	-50.0%
Insurance	\$40,778	\$60,000	\$60,000	\$70,500	17.5%
Building Maintenance	\$3,476	\$134,700	\$134,700	\$120,000	-10.9%
Rents - Structures & Grounds	\$125,404	\$303,300	\$303,300	\$225,000	-25.8%
Professional Services	\$1,376,430	\$1,379,300	\$1,379,300	\$954,700	-30.8%
Fixed Assets	\$64,249	\$100,500	\$100,500	\$50,500	-49.8%
Unallocated/Reserve	\$0	\$3	\$8,467	\$16	-99.8%
SJCOG OPERATING EXPENDITURES	\$4,009,562	\$4,817,803	\$4,826,267	\$4,351,013	-9.8%
Pass-Through	\$173,642,756	\$178,323,142	\$186,907,012	\$191,246,000	2.3%
TOTAL SJCOG EXPENDITURES	\$178,257,052	\$183,140,945	\$191,733,279	\$195,597,013	2.0%
Excess (Deficit) Revenues	\$604,734	\$0	\$0	(\$0)	(\$0)
Over Expenditures (Operating)					



**RESOLUTION
SAN JOAQUIN COUNCIL OF GOVERNMENTS**

R-04-32

**RESOLUTION APPROVING THE ADOPTION OF THE 2004-05
OVERALL WORK PROGRAM
&
ANNUAL FINANCIAL PLAN
FOR THE SAN JOAQUIN COUNCIL OF GOVERNMENTS**

WHEREAS, annually the San Joaquin Council of Governments acting as the Metropolitan Planning Agency, and the Regional Transportation Planning Agency for San Joaquin County adopts an Overall Work Program, and

WHEREAS, that Overall Work Program identifies the funding sources that the agency will utilize in the coming year, and the work tasks and products that the agency will produce, and

WHEREAS, this Overall Work Program must be submitted to the required funding agencies for their review and approval, and

WHEREAS, the Council of Governments must assure that the planning tasks identified are in compliance with all State and Federal laws and regulations, and are coordinated with all effected agencies, and communities on a regional basis, and

WHEREAS, the San Joaquin Council of Governments is required by the Joint Powers Agreement to adopt a budget (Annual Financial Plan) annually, and

WHEREAS, the adopted budget is to be sent to the member agencies for ratification.

NOW THEREFORE BE IT RESOLVED that the San Joaquin Council of Governments adopts the attached 2004-2005 Overall Work Program and self-certifies the following:

The San Joaquin Council of Governments hereby certifies its planning process to be in accordance with all applicable requirements of the Federal government, as follows:

- I. 23 USC 134 and 135, 49 USC 5303 through 5306 and 5323(l);
- II. Sections 174 and 176 (c) and (d) of the Clean Air Act as amended (42 USC 7504, 7506 (c) and (d))
- III. Title VI of the of the Civil Rights Act of 1964 and the Title VI Assurance executed by California under 23 USC 324 and 29 USC 794;
- IV. Section 1101(b) of the Transportation Equity Act for the 21st Century (Pub. L. 105-178 112 Stat. 107) regarding the involvement of disadvantaged business enterprises in the FHWA and FTA funded projects (FR Vol. 64 No. 21, 49 CFR part 26); and
- V. The provision of the Americans with Disabilities Act of 1990 (Pub. L. 101-336, 104 Stat. 327 as amended) and the U.S. DOT implementing regulations (49 CFR 27, 37, and 38).

BE IT FURTHER RESOLVED, that the Executive Director of the San Joaquin Council of Governments be, and is hereby, authorized and empowered to execute in the name of the San Joaquin Council of Governments all necessary applications, contracts and agreements thereto implement and carry out the purposes specified in this Resolution, and

BE IT FURTHER RESOLVED, that the San Joaquin Council of Governments adopts the FY 2004-05 Annual Financial Plan and directs the Executive Director to transmit it to the member agencies for ratification.

PASSED AND ADOPTED this 22nd day of April 2004, by the following vote of the San Joaquin Council of Governments, to wit:

AYES: Mayor Bilbrey, City of Tracy; Councilman Giovanetti, City of Stockton; Councilman Harris, City of Manteca; Councilmember Howard, City of Lodi; Supervisor Mow, San Joaquin County; Councilman Restuccia, City of Ripon; Supervisor Sieglock, San Joaquin County; Mayor Rhodes, City of Lathrop

NOES: None

ABSENT: Councilman Haskin, City of Escalon; Mayor Podesto, City of Stockton



GLORYANNA RHODES
Chair

RESOLUTION NO. 2004-108

A RESOLUTION OF THE LODI CITY COUNCIL
RATIFYING THE SAN JOAQUIN COUNCIL OF
GOVERNMENTS' (SJCOG) 2004-05 ANNUAL
FINANCIAL PLAN

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WHEREAS, the San Joaquin Council of Governments (SJCOG) has approved its fiscal year 2004-05 budget by adopting Resolution No. R-04-32 as shown on the attached, marked Exhibit A; and

WHEREAS, SJCOG is required to forward such resolution to its member governments for their review and ratification.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby ratifies the 2004-05 Annual Financial Plan for SJCOG.

Dated: June 2, 2004

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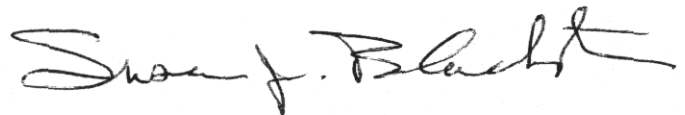
I hereby certify that Resolution No. 2004-108 was passed and adopted by the Lodi City Council in a regular meeting held June 2, 2004, by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hitchcock, Howard, Land, and Mayor Hansen

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk

San Joaquin Council of Governments
ANNUAL FINANCIAL PLAN
 Fiscal Year 2004/05
 Adopted April 22, 2004

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R-04-32

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&
ANNUAL FINANCIAL PLAN
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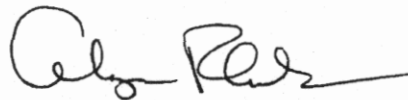
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NOES: None

ABSENT: Councilman Haskin, City of Escalon; Mayor Podesto, City of Stockton



GLORYANNA RHODES
Chair

CITY COUNCIL

LARRY D. HANSEN, Mayor
JOHN BECKMAN
Mayor Pro Tempore
SUSAN HITCHCOCK
EMILY HOWARD
KEITH LAND

CITY OF LODI
PUBLIC WORKS DEPARTMENT

CITY HALL, 221 WEST PINE STREET
P.O. BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 333-6706
FAX (209) 333-6710
EMAIL pwdept@lodi.gov
http://www.lodi.gov

H. DIXON FLYNN
City Manager
SUSAN J. BLACKSTON
City Clerk
D. STEVEN SCHWABAUER
Interim City Attorney
RICHARD C. PRIMA, JR.
Public Works Director

May 26, 2004

Mr. Steve Dial, Director of Administration
San Joaquin Council of Governments
555 E. Weber Avenue
Stockton, CA 95202

SUBJECT: Adopt Resolution Ratifying the San Joaquin Council of Governments'
Annual Financial Plan for Fiscal Year 2004/05

Enclosed is a copy of background information on an item on the City Council agenda of Wednesday, June 2, 2004. The meeting will be held at 7 p.m. in the City Council Chamber, Carnegie Forum, 305 West Pine Street.

This item is on the consent calendar and is usually not discussed unless a Council Member requests discussion. The public is given an opportunity to address items on the consent calendar at the appropriate time.

If you wish to write to the City Council, please address your letter to City Council, City of Lodi, P. O. Box 3006, Lodi, California, 95241-1910. Be sure to allow time for the mail. Or, you may hand-deliver the letter to City Hall, 221 West Pine Street.

If you wish to address the Council at the Council Meeting, be sure to fill out a speaker's card (available at the Carnegie Forum immediately prior to the start of the meeting) and give it to the City Clerk. If you have any questions about communicating with the Council, please contact Susan Blackston, City Clerk, at 333-6702.

If you have any questions about the item itself, please call Tiffani Fink, Transportation Manager, at 333-6800, extension 2678.

P. Farris

for:

Richard C. Prima, Jr.
Public Works Director

RCP/pmf

Enclosure

cc: City Clerk